

Michigan Industry Cluster Approach (MICA)

Michigan is reinventing itself to ensure that workers will find career opportunities in our state. Currently, employers report that it is a challenge to locate the right talent to fill job vacancies and job seekers struggle to find opportunities that leverage their skills. The result is what many call a “skills mismatch.” As a result, Governor Snyder has called on the Workforce Development Agency (WDA) to move the workforce system to a demand-driven model, “To do a better job of matching supply and demand for jobs” and organize into industry clusters where talent needs are pronounced.

The purpose of a demand-driven workforce development system is to provide workforce training and services that meet the needs of targeted industry sectors and employers. A demand-driven system establishes employers – the *demand* side – as the primary customer of the workforce system. The employer creates a *pull* based on the need for skilled workers, covering training, recruitment, assessment, placement of job ready candidates, and long-term pipeline issues.

Michigan’s Industry Cluster Approach (MICA) creates a framework in which many employers within a single industry engage with the workforce system to identify their demand. In this approach, talent issues may be handled more efficiently through multi-company, industry-focused training programs. Based upon research, WDA selected five industry clusters likely to have the greatest impact on Michigan’s economy in context of talent needs: Agriculture, Energy, Health Care, Information Technology and Media, and Manufacturing. Regionally, Michigan Works! Agencies (MWAs) convene employers along with education providers, economic development organizations and other groups associated with workforce development to solve talent challenges. Local clusters are formed based on local needs and are led by industry.

How Industry Clusters Work

The hub of the cluster is an MWA service provider with in-depth knowledge on workforce issues for the industry. The MWA researches information about jobs in demand, skill gaps, training needs, jobseeker screening factors, and other related issues -- and then rallies employers to collaborate and develop an industry solution. It’s common to uncover a number of workforce needs and identify a systematic approach to immediate and long-term needs.

“This is a much more efficient model than we’ve used in the past. By joining forces, we are able to meet workforce needs faster and more effectively than individual employers could do on their own. - Sean Newell, Dean of Ford Motor Co.’s College of Engineering in the July 2011 edition of “Workforce Management.”

Activities of MICA

- Identification of occupational demand and vacancies.
 - Assessment of underlying recruitment and training issues related to broader skills mismatches and gaps.
 - Determination of hiring projections and training needs of employers, along with a commitment to hire participants completing pre-employment education and training.
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- Re-design of educational program offerings to directly respond to the industry identified demand and curriculum to address occupational skill requirements.
 - Locating or developing curriculum when relevant training programs cannot be found locally.
 - Identification of emerging occupations and technology, and accompanying skill needs.
 - Industry and career promotion activities directed to K-12 and higher education, providing teachers, career counselors, parents and students information and incentive to pursue a career in the industry cluster.
 - Training funded by the local MWAs utilizing federal workforce programs.
 - Training funded by competitive grants procured by WDA or the local MWA.

Benefits of MICA

- Emerging occupations, technology, and accompanying skills needs are identified.
- Training funds targeted toward in-demand occupations in a local region.
- Job candidates trained to employer's specifications leads to reduced turnover.
- Career ladders built to upskill entry level workers.
- Reduced training costs by utilizing economies of scale when multiple employers partner.
- Improved outcomes for federal training resources by meeting employer's needs.
- Industry-recognized training credentials developed.
- Recruitment programs effectively meet industry's needs.
- Education providers develop or re-design curricula for new college, high school and/or technical programs in response to industry's needs.

"A cluster-based workforce training system, for example, will train workers to fill actual jobs in the cluster and meet the actual skill needs of these jobs. This demand-driven approach stands in stark contrast to today's supply-driven training system, organized heavily by training providers." - Michael Porter, Clusters and Economic Policy: Aligning Public Policy with the New Economics of Competition

Formal guidance and policy on the demand-driven system and MICA is available at <http://web.michworks.org/OWD/PDFnew/MICAGuidelines.pdf>.

Questions regarding MICA should be directed to the appropriate Cluster Talent Director or Manager:

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You may also contact your local MWA to inquire about their local and regional industry cluster activities.
